



Company	SeaLink Travel Group
Code	SLK
Meeting	AGM
Date	27 October 2020
Venue	Online
Monitor	Ken Wakeman assisted by Cynthia Loh

Number attendees at meeting	20 Shareholders, 1 proxy, 39 Guests
Number of holdings represented by ASA	22
Value of proxies	\$1.88m
Number of shares represented by ASA	323,152
Market capitalisation	\$1,300m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with the Chair Jeff Ellison, Company Secretary Joanne Macdonald, and CEO Clint Feuerherdt

Virtually Unseen, Accountably Elusive

The meeting took just over an hour using photographs and slides as visuals and the speakers on audio.

The addresses delivered by the Chair of the Board (the Chair) and the CEO from behind their photographs were upbeat. The Chair, Jeffrey Ellison (who was the former Managing Director and CEO, retired 16 January 2020) said that SLK was very well-positioned for a range of economic scenarios with its strong balance sheet, good cash-flow and the majority of the company's earnings derived from government contracts. The new CEO, Clinton Feuerherdt, reiterated the strength of the balance sheet and cash flow generation and echoed the Chair's optimism in the company's outlook. Both their addresses can be found here:

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02299796-2A1259233?access_token=83ff96335c2d45a094df02a206a39ff4

The formal business began after their addresses. There were 6 items on the agenda:

1. Consideration of financial statements

A shareholder, Mr Shepherd asked 2 questions on accounting matters through a representative. They were referred to the CFO to answer.

2. Adoption of remuneration report

The Chair gave a long introduction to the remuneration report in which he discussed at length the justification for the generous bonuses to the executives despite the company receiving JobKeeper and other government aid.

As indicated in the Voting Intentions, ASA voted against this motion. There were **two** questions from the ASA.

The first related to the appropriateness of the generous bonuses given that government aid was used to subsidise the business. The Chair referred the question to the chair of the people, culture and remuneration committee to respond. She responded perfunctorily (to our utmost dissatisfaction) that as the Chair had covered this issue in his introduction of the report, she saw no need to elaborate any further.

The second ASA question concerned a request for further clarity on the STI and LTI performance hurdles in future reports. The question was again referred to the chair of people, culture and remuneration committee who responded with a vague "yes" but there were "many challenges behind the scenes".

Mr Shepherd also asked his representative to convey a comment that an LTI was inappropriate.

The remuneration report passed with a 11.50% vote against.

Items 3-5 related to the (re)election of directors. All directors spoke briefly in support of their nominations.

3. Election of Mr Neil Smith - ASA voted "For"

4. Election of Mr Lance Hockridge - ASA voted "For"

5. Re-election of Mr Jeffrey Ellison - ASA voted "For"

The ASA used the opportunity here to express our concern about the non-independence of the Chair and the board, specifically emphasising that:

- The ASA does not support a non-independent chair but in this instance would support the re-election of Mr Ellison given his importance to the transition to the company. We reiterated that we would like to see an independent chair in the near future.
- The ASA would also like to see more independent directors on the board as we did not accept the reasons given by the company (in their corporate governance statement) for the re-classification of Mr Dodd and Mr Smerdon who are major shareholders from non-independent to dependent this year.

The acting chair (Mr Ellison having to temporarily vacate the chair to stand as candidate) surprisingly referred the question to the chair of the people, culture and remuneration committee to provide a response. She responded the committee had undertaken a review of its charter and will continue to work through the challenges...

These questions regarding board independence were directed to the chair of the board, as the candidate standing for election, and should have been answered by him. If the AGM has been an 'in person' AGM we would have requested that the candidate answer, so that shareholders could make a better assessment of his candidacy.

All election and re-election of directors passed with over 98% in favour.

6. Any other business

Another shareholder asked the chair if the company intends to continue holding future AGMs virtually. The chair responded that he hoped future meetings would return to the traditional format.

In conclusion, it was an efficiently-run meeting. There were no technical hiccups, questions were clearly read by a moderator and shareholders were given ample time to decide on the votes.

However, this virtual AGM enabled shareholders' questions to be deflected and directors' responses to be glossed over without giving shareholders the opportunity to follow through with further questions. It seems that the virtual AGM has deprived us of the once-in-a-year opportunity to hold directors to account. This certainly left us with the feeling of a job half-done.